

## **Flags of Convenience in Cruise Tourism: Is It an Opportunity or an Exploitation of Developing Countries?**

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### **ABSTRACT**

The purpose of this article is to highlight the power relations between transnational corporations and developing countries due to the application of the Flags of Convenience (FoC) system in the cruise tourism industry. The focus is to answer whether the FoC in global cruise tourism is an excellent opportunity or a system that exploits developing countries. This article uses the literature review method by referring to hegemony theory by Gramsci and the concept of transnational corporations as analytical frameworks. This study found that the FoC system strengthens non-state actors' position in the international system through its regulations and by achieving its business goals through its power over the country, particularly developing countries.

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## **INTRODUCTION**

Cruise tourism is a part of the rapidly growing global tourism industry. Also viewed as floating resorts, this industry provides a wide range of service and recreation facilities that can be found as if we were travelling on land-based tourism industry such as restaurants, bars, sports facilities, shopping centres, entertainment places, etc., that continue to grow along with the development and competition within the industry (Dowling, 2006, p. 3; Najafipour, Marzi, Foorozanfaar, 2014). Among the companies that operate globally, there are three major companies in the cruise ship industry, i.e., Carnival Corporation, Royal Caribbean Cruise Limited and Norwegian Cruise Lines, Inc that controlled 81,6% of global capacity in 2015 (Clancy, 2017, p. 46).

Due to the increasingly globalised development of cruise tourism, this industry has been labelled as the icon of globalisation. The representation of globalisation in cruise tourism is comprehensively described by Wood (2006) through the concept of deterritorialisation. Deterritorialisation is a process in which social activities' organisation is increasingly less constrained by geographical proximity and national territorial boundaries (McGrew, 2005, p. 25). In other words, globalisation reflects the interconnection between countries and other entities such as international organisations, transnational companies, and even individuals worldwide. One of the visible manifestations of the global interconnection in the industry is that cruise ships become an interaction arena between passengers, mostly from developed countries, with the workers dominated by people from developing countries. Based on the CLIA report in 2019, cruise ship passengers were dominated by people from the United States, China, Germany, United Kingdom, Australia, Canada, Italy, Spain, France and Brazil (CLIA, 2019). As the passengers come from many countries, cruise ship workers also come from various countries. According to Terry (2017), around 70% of the workforce comes from developing countries in South Asia, Southeast Asia, Central America, The Caribbean and Eastern Europe.

Another interesting phenomenon described by this industry, which is the main focus of this study, is the Flags of Convenience (FoC) system. This FoC system has connected at least two international system actors: cruise companies whose owners are from developed countries and developing countries. A flag of convenience is the flag of any country allowing the registration of foreign-owned and foreign-controlled vessels under conditions which, for whatever the reasons, are convenient and favourable for the persons registering the vessels (Boczec, 1962 as cited in Rogers, 2010). Countries that offer registration to ships owned by foreign interests operate an "open registry". In contrast to developed countries as companies' origin, most countries that offer open registries are developing countries (Negret, 2016, p. 4). Liberia, Panama, and Marshall Island are among the preferred FoC countries by cruise companies. The FoC system also has a critical point in the regulation of the global workforce. As most of the industry workforce is from developing countries, the relationship between actors in the international system can also be represented in this case.

Several scholars have conducted studies of FoC. A study by Fossen (2016) provides an argument that FoC promotes the development of global capitalism and provides a legal framework for marine trading activities. This article underscores that this system becomes the favourite instrument for ship owners to get the strongest private property rights. Terry (2017) examined the role of open registries of the FoC system in creating the global labour market and its impacts on the people who chose to work in this industry. Okonkwo (2018), in his writing, emphasised that the escalation of FoC practice has neglected labour rights, safety and security in the high seas. Therefore, universal law is needed to address this issue. While several studies pointed out that FoC system grows along with the growth of global capitalism and offer the ship owners flexibility in their operations (Fossen 2016; Terry 2017), another study examines the system from legal aspects (Okonkwo, 2018), yet it is also significant to stress the issue from the power relations between actors in international relations. The purpose of this paper is to illuminate the power relations between transnational corporations and developing countries due to the application of the Flags of Convenience (FoC) system in the cruise tourism industry. In particular, it seeks to answer whether the FoC system in the global cruise industry is an opportunity or exploitation of developing countries.

## **CONCEPTUAL FRAMEWORKS**

### **Hegemony Theory and The Concept of Transnational Corporations**

Power becomes the central point in international relations to explain the interaction among actors, such as states, international organisations, transnational corporations, non-governmental organisations, and even individuals. Power can simply be understood as a relationship-the exercise of influence over other actors (Heywood, 2011, p. 210). This study employs hegemony theory by Antonio Gramsci to analyse the power relations between transnational corporations and developing countries. The concept of hegemony is relevant to understanding how dominance is created, maintained, and challenged (Böhm, 2018). As hegemony is no longer created and held only by states in contemporary international relations, hegemony can also explain power relations among various international actors.

Gramsci's idea on hegemony lies in the central importance of ideology in perpetuating class rule and leading to social change. The ruling class's legitimization lies in accepting their ideology as just and fair (Steans, Pettiford, Diez and El-Anis, 2010). In other words, hegemony, as proposed by Gramsci, is a consensus by which submission is obtained through the acceptance of a hegemonising class ideology by the subordinate class (Siswati, 2017). In particular, as Gramsci proposed, the ruling class refers to the dominant ideology of the capitalist class, which is considered common sense (Heywood, 2011). The hegemony of bourgeois ideas occurs when the proletariat accepts and imitates the way of life, ways of thinking, and the views of the elite class, which dominate and exploit them. Hegemony, in this sense, will lead to obedience, an attitude of accepting circumstances without questioning them critically (Siswati, 2017).

The consensus mechanism becomes an effective way for the ruling class to maintain its domination over the subordinate class. The consensus of the proletariat is interpreted as a passive consensus. One of the reasons is that they accepted the socio-political rules due to fear of consequences if they do not conform. This passive consensus leads to a lack of understanding of social reality effectively (Siswati, 2017). Another critical point proposed by Gramsci is on the state's role in supporting an oppressive social order because hegemony is exercised via the agency of a party or through the state. In this regard, the state also has a role in ensuring that capitalist economic and social relations are securely embedded globally (Steans, Pettiford, Diez & El-Anis, 2010).

The hegemony theory is employed in this study to analyse the FoC system as a set of rules that maintain the relations between cruise companies and developing countries and their human resources. The FoC system is utilised to suppress the capitalists in this industry while accepted as an appropriate rule by developing countries and their human resources. The nature of cruise companies is examined in the following section through the concept of transnational corporations.

As McNulty and Wafer (1990) mentioned, cruise ships are one of the tourism industry sectors under transnational corporations' control (TNCs). TNCs, which are also referred to as multinational corporations (MNCs), are companies that own assets and has direct business activities in many countries and are also companies that must be able to plan, organise, coordinate and control the production in many countries from a centre and under common objectives and strategies (Gillies, 2005, p. 10).

In relations to states, particularly developing countries, a debate arises over whether the TNCs are agents of development or exploitation agents. The so-called structural-dependency in TNCs and states' relations due to the state's dependence on TNCs to provide jobs, provide financial support for industrialisation and capital inflows. In its efforts to attract the TNCs, states will provide the circumstances following the interests of TNCs. Heywood (2011) stated that due to their ability to transcend territory through the growth of 'trans-border, even 'trans-global gives TNCs strategic advantage over national governments. By threatening to move the activity and production to another country, TNCs can force a host government to provide advantageous investment conditions (Uhlin, 1988, p. 236).

Mingst (2002), referring to these organisations as MNCs, highlights that this organisation also has political interests. Politically, moving operations to another country can avoid regulations from the home country's government, such as tax rules, currency restriction, and environmental regulations. In other words, these transnational companies are economic organisations and political organisations that can influence policies both in their home country and in other countries. Therefore, regardless of the type of activity, TNCs in their operations will look for countries or areas that are conducive to profitability, for instance, those countries or areas have a stable political environment, low tax levels, low financial and economic regulations, the availability of cheap labour, weak trade unions, low protection of labour rights, etc. (Heywood, 2011, p. 99). The transnational corporation's concept is applied in this study to examine the sources of power and bargaining position of cruise companies in developing countries.

## **METHODS**

This article employed a descriptive qualitative research method by acquiring data from various literature. Following desk research methods, the study on FOC in cruise ship industries and its relations to developing countries based on secondary data that has been collected from several resources, including books, journals, newspapers, and others. Therefore, the analysis, which includes reviewing, synthesising, and interpreting data, is conducted upon the data's availability to describe and explain the studied phenomenon (Yusuf, 2002, p. 400).

## **RESULTS AND DISCUSSION**

### **Cruise Companies as Global Industry**

Cruise tourism can be defined simply as a vacation enjoyed by passengers while sailing on a cruise ship. Besides visiting several destinations during the trip, passengers also enjoy holidays with various facilities and entertainment similar to those on land-based tourism, which cover sports, recreation, entertainment and culture (Dowling and Weeden, 2017, p. 4). All the pleasures enjoyed by cruise passengers are one of the impacts of this industry's rapid development. A development that began in the 1970s has transformed the ocean passenger transportation industry into a complete and complex luxurious holiday business.

Even though cruise tourism as an industry proliferated, the evolution from a mode of transportation to cruising as a vacation has taken a long historical journey. This evolution was represented by some of the early companies in the 1800s, such as Cunard Lines, Peninsula and Oriental Steam Company, and Quaker City (Dickinson & Vladimir, 2007). This development

continued to grow with various new companies in later years, including Holland American Line, The Hamburg American Line, White Star Line, Princess Cruises, Norwegian Cruise Line and Royal Caribbean. People travelled by ships because they had to rather than for pleasure until the late 1950s (Dickinson & Vladimir, 2007). A breakthrough in mass cruise ship tourism began when the Carnival company introduced the Fun Ship concept in 1972. By making the cruise ship a destination, Carnival managed to attract the public's interest to experience the ship and enjoy cruising. Brida and Zapata (2010) highlighted that in the 1970s to 1980s, cruise ship passengers increased from half a million to 1.4 million passengers, which indicated moderate growth in this industry. The 1990s marked the beginning of high growth in this industry. The number of passengers increased to 3.8 million at that time, and leisure cruising had reached Europe, Asia and Oceania.

With this ongoing development, cruise ship companies are currently becoming one of the expanding global industry players. The major players in the industry are shown in the table below.

Company	Brand
Carnival Corporation	AIDA Carnival Costa Cruises Cunard Holland America P&O Cruises P&O Cruises Australia Princess Seabourn
Royal Caribbean Cruise Ltd	Azamara Celebrity Royal Caribbean
Norwegian Cruise Line	Norwegian Oceania Cruises Regent Seven Seas

Table 1: The Biggest Companies and Brands  
<https://cruisemarketwatch.com/market-share/>, retrieved 9th of August 2020 [Source]

Carnival Corporation, Royal Caribbean Cruise Lines and Norwegian Cruise Lines are the three leading companies in this industry which control 72,2 % of earnings within the US\$ 46,5 billion global markets and 79,9 % of the passenger berths in 2018 (Cruise Market Watch, 2018). Carnival Corporation, as the world's most extensive cruise line, operated nine world's leading cruise including Carnival Cruise Line, Princess Cruises, Holland America Line, Seabourn, P&O Cruises (Australia), Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard with operations in North America, Australia, Europe and Asia. The company continues to record an increase in revenue. Revenues for the year 2019 were US\$ 20,8 billion rising from the US\$ 18,9 billion

reported in the previous year (Carnival Corporation & PLC, 2019). Royal Caribbean Cruise Lines (RCCL), headquartered in Florida, is the second-largest company in the industry. Founded in 1968, today RCLL has many offices and a network of international representatives worldwide covering more than 183 countries whose primary focus is on sales and market development. By operating its global brands, including Royal Caribbean International, Celebrity Cruises, Azamara Club Cruises and Silversea Cruises, the company recorded total revenue of US \$ 10.95 billion in 2019, an increase of 15.38 % from total revenue of US \$ 9.49 billion in 2018 (Royal Caribbean Cruises Ltd 2018 Annual Report 10-K, 2019). The third-largest company in the industry is Norwegian Cruise Lines (NCL) which generated revenue of US\$ 6.1 billion in 2018, an increase of 12.2% from the previous year (Norwegian Cruise Line Holding Ltd, 2019). NCL, based in Miami, Florida, now operating three global brands, including Norwegian, Oceania Cruises, and Regent Seven Seas.

Apart from the three primary players, several other companies are also participating in this industry, including MSC Cruises, Disney Cruise, Dream Cruise, Silver Sea, Star Cruise, and others (Cruise Market Watch, 2018). The number of cruise ship companies has decreased due to the take-over and mergers process in the 1980s (Klein, 2002, p.3). However, this consolidation has caused a more significant expansion of this industry even though its number has decreased. As actors in the international system, cruise companies have demonstrated their power through the various privileges they obtained. One of the things that strengthen this industry is implementing the Flags of Convenience (FoC). This system allows the companies to be incorporated in other countries, which results in cost savings and provides much flexibility in the area of taxes and labour (Clancy, 2017). In other words, this system has created a favourable and profitable business environment for companies to operate across the globe.

#### **Flags of Convenience System: The Source of Power for Cruise Companies**

As stated above, the cruise industry operates under a profitable system called the open registry or FoC. FoC, a system with the best economic advantages for ship owners, have become increasingly important since the 1960s. This is in line with the development of this industry as part of the global shipping industry. As transnational corporations will look for regions or countries that provide benefits, FoC becomes its implementation system. Under FoC, shipowners can decide where to register their ships and under which international and domestic regulations they want to operate (DeSombre, 2006, p. 4). Carnival, for example, as one of the biggest companies, is based in the USA. However, this company is also incorporated with Panama under the FoC system. The same thing applies to the Royal Caribbean Cruise Limited, based in Florida, the USA, yet using the Liberian flag while sailing.

Among the number of countries that offer open registries, most of them are developing countries, as shown in the table below.

Cruise Lines	Country of Registration
AIDA	Italy
Carnival	Panama
Costa Cruises	Italy
Cunard	Bermuda
Holland America	Netherlands
P&O Cruises	Bermuda
Princess	Bermuda
Seabourn	Bahamas
Azamara	Malta
Celebrity	Malta
Royal Caribbean	Bahamas
Norwegian	Bahamas
Oceania Cruises	Marshall Island
Regent Seven Seas	Bahamas

Table 2: Flags Used by Major Cruise Lines  
Telegraph, 2018; Terry, 2017 [Source]

Apart from the countries listed in the table, other countries that are FoC countries include Antigua and Barbuda, Barbados, Belize, Bolivia, Cambodia, Cayman Island, Comoros, Cyprus, Honduras, Jamaica, Lebanon, Liberia, Madeira, Mongolia, Myanmar, Sri Lanka, Tongan and Vanuatu among others (International Transport Workers Federation, 2018). Bahamas, Panama and Bermuda are among the popular countries for their flags. Klein (2002) and Terry (2017) stated that several ships moved their flags from Liberia to other flag countries such as Panama or the Bahamas because they found fees were used to fund armed militias in Liberia during the Liberian civil war. Several ships have also shifted to FoCs, including the Seabourn Cruise, moving from Norway to the Bahamas; Silversea Cruise moved from Italy to the Bahamas. Furthermore, the Radisson Seven Seas (now known as Regent Seven Seas) registered in Finland and Norway also moved to the Bahamas. It is very flexible for the shipowners to shift their ship's flag to other open registries for several considerations such as profit, safety, and flag states' reputation.

For FoC countries, offering open registration means getting revenue for the country; however, the FoC plays a crucial part in the shipowners' business development. The chosen and used flags are closely related to the Source of power that determines its business development. One of the critical points of The Rochdale Reports regarding criteria for determining FoCs is that the country of the registry has neither the power nor the administrative machinery effectively to impose any governmental or international regulations; nor does the country even wish or have the power to control the shipowner companies themselves (Anderson 1996 as cited in Negret, 2016). This is the point that makes cruise ship companies as transnational corporations have power over nation-states.

Using the new legal identity under FoCs provides vast benefits for shipowners in the area, such as taxation, labour and other regulations that reduce operational cost and increase profits for companies. Negret (2016) argued that several countries such as Liberia, Mongolia, Panama and the Bahamas become safe havens for American and European shipowners due to the minimal fees

and taxes imposed and inadequate non-existence regulations and laws that protect seafarers. Under FoCs, Royal Caribbean Cruise Ltd and Carnival Corporation & Plc can evade taxes, labour laws and safety regulations even though these ships sail from the US ports and serve US passengers. According to Ruskin (2004, as cited in Klein, 2017), the three most significant cruise corporations that comprised almost 95% of the US market virtually avoid income tax in the USA. In 2003, Carnival Corporation, headquartered in the USA, only paid just one-half of 1% of its US \$ 6.7 billion in revenues. The second biggest company, Royal Caribbean Cruise Limited, pays no corporate income tax, and Carnival Corporation pays tax only on its land-based operation in Alaska through Holland America. Because the cruise lines are subject to the country's laws in which they are registered, their ships are free of American laws in their operations (Klein, 2002).

FoC system also allows flexibility for transnational companies to employ cost-saving strategies in utilising global labour through the elimination of nationality-based employment so that shipowners can hire the crews from wherever they choose (Terry, 2017). As explained by Fossen (2016), FoC allows companies to employ workers who come from various countries, which are primarily from low-wage countries. While on the one hand, having ship crews from various countries becomes the company's pride (Klein 2002, p. 123), on the other hand, the recruitment of multinational crews is also another form of the use of transnational corporations' power.

### **Is It an Opportunity or Exploitation?**

FoC system, which becomes the Source of power and provides benefits for shipowners, has led to an escalation in these practices, as highlighted by Okonkwo (2018). The escalation in FoC practices demonstrates that FoC is a regulation used by capitalists in the cruise industry to perpetuate their dominance in the system, which creates a power relation between transnational corporations and developing countries. Referring to Gramsci's idea of hegemony, power relation here is represented through the consensus on the implementation of FoC system both by open registries countries and the cruise workers mostly from developing countries.

The FoC is essentially a system that serves shipowners' interests and a disguised oppressive system for developing countries and the workers. With the application of the FoC, the weak position of the open registry countries has made them lose in regulatory measures against the ships carrying their flags (Okonkwo, 2018). In exchange for the revenue earned, the open registries countries become tax havens that enable foreign shipowners to minimise taxes, regulation, loss of assets, unwanted financial disclosure and forced disposition of property (Fossen, 2016). Another interest of the capitalist class served by the FoC system is the need for a large number of workforces. Every cruise ship needs to employ many crews so that all passengers can be adequately served, which maintains the image of the company's brand. For example, the *Symphony of The Seas*, which carries 5,500 passengers, requires about 2200 crews on board (Jenkins, 2019). The FoC system then facilitates the need for intensive labour to seek labour sources from many countries, especially from developing countries which, according to Terry (2017), make up 70% of the labour force. The diversity of countries in this industry is illustrated by a report from the War on Want and International Transport's Workers Federation describing that the Carnival ship, for example, employed workers from 64 countries, some of which are from the Philippines, India, Indonesia, Britain, Peru, Romania, US, Honduras, Nicaragua and Jamaica (War on Want, 2000).

The vast labour demand in this industry has offered job opportunities for many people from around the globe. If it is seen from the side of opportunity, working on cruise ships, especially for workers from developing countries, is a chance to improve their economic condition. Bolt and Lashley (2015), in their study, found that salaries are the primary reason that drives workers to work on cruise ships. Similarly, a study by Artini and Nilan (2014) stated that working on cruise ships is closely related to the idea of a prosperous future. A study conducted on youths from Bali, Indonesia, who intend to work on cruise ships found that young people are often fascinated by an advertisement for a cruise ship training school that promised that working on a cruise ship can earn nine times the salary in Indonesia.

Artini and Nilan (2014) further explained that even though the amount of salary is low by international standards, several experiences showing that cruise ship workers can save and build their businesses have sparked young people's enthusiasm to become cruise crews. Accompanied by the opportunity to travel to many countries and meet people from various nationalities, it is not surprising that working on a cruise ship has become very attractive to many young people. Through the opportunity side, which promises a prosperous life, high salaries, opportunity to travel abroad, and the attainment of material wealth, the mechanism of consensus by following goals in a certain way takes place. In other words, working on a cruise ship is accepted as a way to achieve the goals in the form of material wealth and prosperous life.

Opportunity:	Exploitation:
<ul style="list-style-type: none"> <li>- The FoC system generates revenue for open registries countries</li> <li>- The vast labour demand provides job opportunities for developing countries</li> </ul>	<ul style="list-style-type: none"> <li>- The FoC system erodes the power of states in imposing regulation on the ships carrying their flags</li> <li>- The crews recruited are from low-wage countries</li> <li>- The exploitation of cheap labour in the form of long working hours and poor working condition</li> <li>- Neglection of human rights</li> </ul>

Table 3: The FoC system: Opportunity or Exploitation?  
Becker, 2014; Bolt and Lashley, 2015; Fossen, 2016; Okonkwo, 2018 [Source]

However, the lack of understanding of social reality, as Siswati (2017) stated, has caused the workers to ignore this system's oppressive side. The FoC system that allows companies to recruit a workforce from many countries provides a disadvantageous system for the workers. Several studies highlight the exploitation of the workers due to the structure created by this industry. Luxurious cruises and expectations for high wages do not match the realities faced by the developing countries-workers. The description of this condition is presented by Klein (2002) by referring to ITF's report as follows: "below decks on virtually all cruise ships, there is a hidden world of long hours, low pay, insecurity and exploitation. Those who work continuously below deck, like in the galleys [ships kitchens], rarely see the light of day, let alone the shimmering sea of the Caribbean." Besides working hours which can reach 10-12 hours a day without overtime pay and days off for months, the menial workers receive hourly wages as low as 53 cents (Becker, 2014).

Similarly, Chin (2008) mentioned that the galley and restaurant workers responsible for providing breakfast, lunch, and dinner are required to work 90-100 hours per week. The International Commission has asserted the segregation of employment in this industry on Shipping due to racial discrimination in employment contracts (ICONS, 2000 as cited in Chin 2008). It is easy to discern that the FoC system allows this structure to affect the cruise ship companies' power to recruit and place workers in positions desired by the company.

Besides, the creation of the culture of fear by threatening to fines or being transferred to strenuous work becomes a mechanism to control the crews (waronwant.org) and few collective actions of the crews due to different background, culture and nations (Klein, 2002) causes the neglect of the rights of workers, mainly from developing countries. For example, in terms of health protection, companies must provide adequate care if their workers are sick or injured on the ships. The case of a Royal Caribbean ship worker who suffered severe burns and was returned to the Caribbean from Alaska without adequate treatment, and another case of a worker who died on the ship from cancer without any attempt by the company to provide medical treatment (Walker, 2009) highlighted neglecting aspects of the health of ship workers. Rose George (as cited in Negret, 2016) stated that FoC countries' failure to protect workers' safety with poor working conditions causes this system's human cost is exceptionally high. This situation is exacerbated by the open registries states' weak position to force shipowners to comply with employments contracts (Bellemare, 2017 as cited in Okonkwo, 2018).

Behind the job opportunities provided by applying this FoC to developing country workers, FOC is also a cause of exploitation due to workers' weak position from developing countries and developing countries' dependence on employment opportunities. As a system, FoC strengthens cruise companies' position and, on the other hand, FoC perpetuates the exploitation of developing countries and their resources. Through the lens of hegemony, the power relations maintained through the FoC system has created an oppressive situation for the working class, particularly from developing countries. The capitalist in this industry ignores this oppressive situation experienced by workers in job loss threats, neglect of workers' rights, inadequate health care, long working hours, and not serving their interest. The working class's consciousness that begins to question the oppressive forms of implementing the FoC system is needed to liberate from the hegemony. Otherwise, it will only perpetuate the exploitation of developing countries and their resources.

## **CONCLUSION**

Cruise ship companies are one of the international system actors, along with state and non-state actors. In their operations, cruise ship companies adopt the flags of a conventional system that allows shipowners to operate under the flags of other countries belonging to open registry countries, mainly developing countries. The selection of an open registry country is based on the consideration of benefits, which follows the transnational company's characteristics.

This study found that the FoC system becomes the Source of power for transnational companies concerning other actors, particularly developing countries and their human resources. In their operation under the flag of a country with minimum regulation on financial and labour, cruise companies meet the workforce's need from other developing countries. Although working on a

cruise ship can improve developing countries' economic conditions, they are not free from exploitation and job segregation based on nationality. The power relations can be examined through the idea that the FoC system is utilised as a means of oppression of the capitalists in industry, but on the other hand, it is accepted as an appropriate rule by developing countries and their human resources.

This paper has limitations because it solely emphasises the power relations between transnational companies and developing countries. Other actors, such as developed countries as countries of origin of the companies' owners and other entities such as international and non-governmental organisations, are also affected and are involved in implementing the flags of the convenience system. It is also significant to examine transnational companies' power relations with other actors concerned about future studies.

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